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LASERS Responds to JR Ball Editorial

It is unfortunate that JR Ball's last editorial column for *Business Report* was so blatantly ill-informed about public pensions. His conclusion that there is a "crisis" about which "nothing is being done" ignores the facts.

"Change" has been the status quo for public pensions for state employees since 1987 when a constitutional amendment required the State to pay its unfunded liability to the retirement system by the year 2029. The legislature has stuck to a payment plan that now starts to pay principal on that debt. In fact, the debt owed by the State to LASERS should decrease by $500 million in 2017, $1.4 billion in 2022, and by $4.4 billion in 2032.

Criticizing the legislature for "making the problem worse" by increasing benefits to make "public-sector voters happy on Election Day" ignores the fact that the legislature has, since 2005, decreased benefits for new public employees. Further, a 2007 Constitutional amendment requires any new benefits to have a funding source.

He argues that the assumed rate of return for public pensions is too high. However, LASERS average actuarial return over the past 29 years exceeds 8 percent.

Retirement benefits he described as "lavish" are **earned** by State employees, who do not have Social Security. Those benefits average $22,236 per year and are funded by contributions made by those employees, investment earnings by the retirement system, and contributions by the State agencies employing them.

An informed discussion about public pensions is welcome. The editorial was not informed.

Cindy Rougeou,
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